

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE **X** WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____DATE FILED **12-17-90**

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-010954A

INDIAN

DRILLING APPROVED: **12-27-90**

SPUDDED IN:

COMPLETED: **4-26-91 LA**

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **4-26-91 LA'D DUE TO BLM DISAPPROVAL (ENVIRONMENTAL CONCERNS)**FIELD: **NATURAL BUTTES**UNIT: **NATURAL BUTTES**COUNTY: **UINTAH**WELL NO. **CIGE 118-35-9-22****API NO. 43-047-31926**LOCATION **933' FSL**

FT. FROM (N) (S) LINE,

506' FEL

FT. FROM (E) (W) LINE,

SE SE1/4 - 1/4 SEC. **35**

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

9S**22E****35****CIG EXPLORATION, INC.**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

CIG Exploration, Inc.

3. ADDRESS OF OPERATOR

P. O. Box 749, Denver, Colorado 80201-0749

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

933' FSL, 506' FEL (SE $\frac{1}{4}$ SE $\frac{1}{4}$) Section 35, T9S, R22E

At proposed prod. zone

Same As Above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately Twelve (12) Miles Southeast of Ouray, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

506'

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1100'±

19. PROPOSED DEPTH

6900' WSTC

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4918' GR

22. APPROX. DATE WORK WILL START*

April 10, 1991

23.

(ALL NEW)

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24.0#	0-250'	180 sx Circulated to Surface*
7-7/8"	5-1/2" K-55	17.0#	0-6900'	545 sx Circulated to Surface*

* Cement volumes may change due to hole size.
Calculate from Caliper log.

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED.

I hereby certify that CIG Exploration, Inc. is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the CIGE #118-35-9-22, Federal Lease # UTU-010954A. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by CIG Exploration, Inc., State-wide Bond # UT-0117, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Charles E. Mowry
Charles E. Mowry

TITLE District Drilling Manager

DATE 12/12/90

(This space for Federal or State office use)

API

PERMIT NO. 43-047-31924

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 12-27-90

BY: Matthew

OIL, GAS AND MINING
WELL SPACING: 615-2-3

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

*See Instructions On Reverse Side

CIG EXPLORATION, INC.

BASIS OF ELEVATION

CERTIFICATE

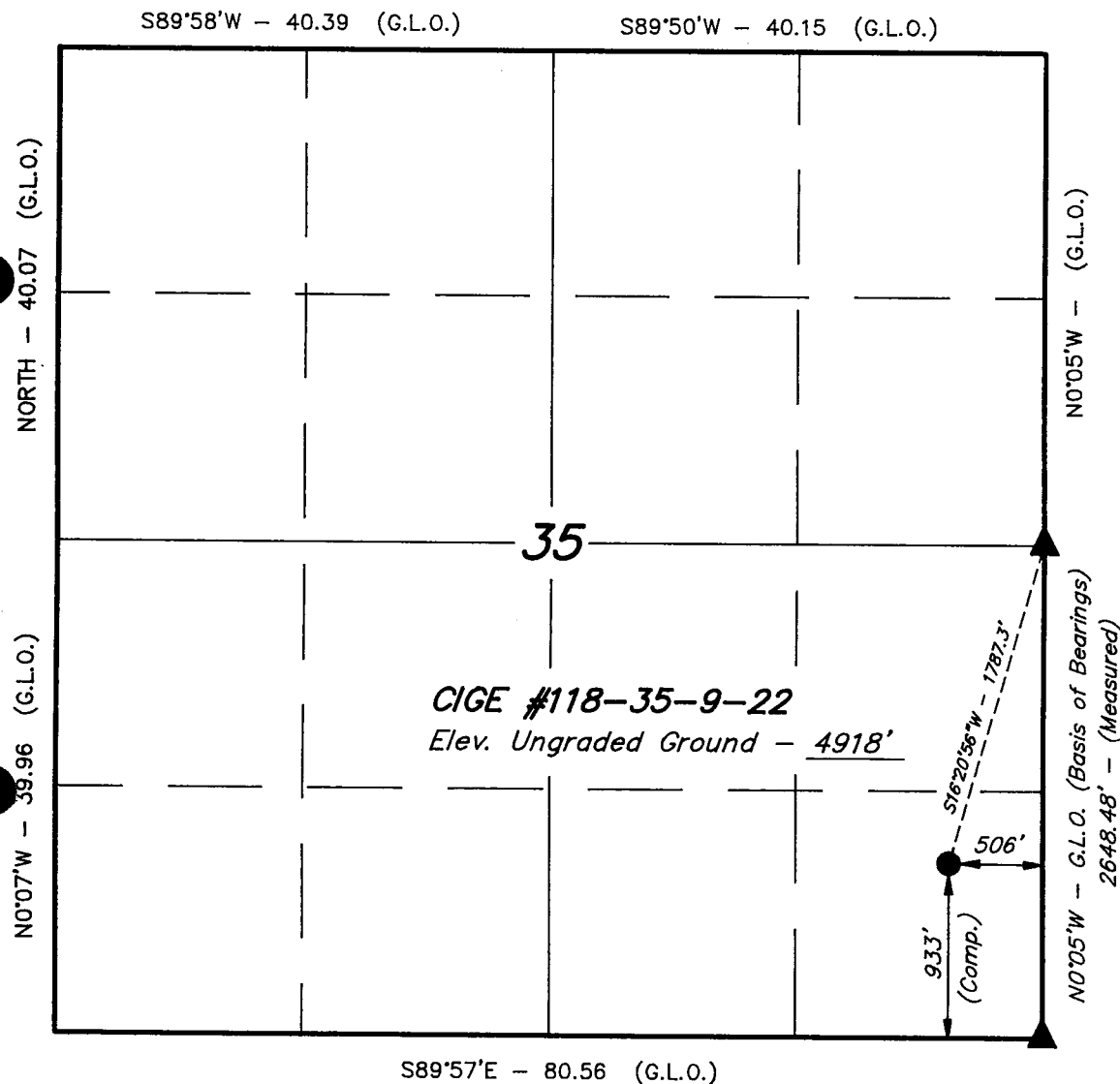
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 5709
STATE OF UTAH

REVISÉD: 12-6-90

UTAH ENGINEERING & LAND SURVEYING
P. O. BOX 1758 - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 9-30-90
PARTY D.A. B.M. T.D.H.	REFERENCES G.L.O. PLAT
WEATHER WARM	FILE CIG EXPLORATION, INC.



▲ = SECTION CORNERS LOCATED. (Brass Caps)

CIG EXPLORATION, INC.
Lease #UTU-010954A, CIGE #118-35-9-22
SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35, T9S, R22E
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers:

Uinta	Surface	Wasatch	4135'
Green River	1285'	Total Depth	6900'

2. Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations:

Wasatch	4135'	Gas (Primary Objective)
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If any shallow water zones are encountered, they will be adequately protected and reported; none anticipated. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment: (Schematic Attached)

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Kill line (2-inch minimum).
4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 2,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

3. Pressure Control Equipment:

C. Testing Procedure: Continued

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Special Drilling Operations:

In addition to the equipment already specified in Items A through E, above, the following equipment will be in place and operational during air/gas drilling:

1. Properly lubricated and maintained rotating head.
2. Spark arresters on engines or water cooled exhaust.
3. Blooie line discharge 100 feet from well bore and securely anchored.

3. Pressure Control Equipment:

F. Special Drilling Operations: Continued

4. Straight run on blooie line.
5. Deduster equipment (not required on aerated water system).
6. All cuttings and circulating medium(s) shall be directed into a reserve or blooie pit.
7. Float valve above bit.
8. Automatic igniter or continuous pilot light on the blooie line (not required on aerated water system).
9. Compressors located in the opposite direction from the blooie line and at a minimum of 100 feet from the well bore.
10. Mud circulating equipment, water, and mud materials (does not have to be pre-mixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

G. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program: (All New)

A. Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24.0#	K-55	ST&C	0- 250'

4. The Proposed Casing and Cementing Program:

A. Casing Program - Continued

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth Set</u>
7-7/8"	5-1/2"	17.0#	K-55	LT&C	0-6900'

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program

Surface Casing : Cement with approximately 180 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing : Lead with approximately 350 sx Halliburton Silica "Lite" cement with 4% Gel, 4% CaCl₂, 0.3 % Halad-413 and 2.0#/sx Granulite TR; tail with approximately 195 sx Class "G" cement + additives. Cement will be circulated back to surface with 30% excess.

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-6900'	Aerated Water	-----	-----	-----

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

6. Evaluation Program:

Logs : DIL-Caliper : 6900' - Surface
FDC-CNL : 6900' - 1500'

DST's : None anticipated.

Cores : None anticipated.

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation : No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

~~Whether the well is completed as a dry hole or as a producer,~~
Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Book Cliffs Resource Area Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Book Cliffs Resource Area Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,209 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1,691 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : April 10, 1991
Drilling Days : Approximately 10 Days
Completion Days : Approximately 7 days

B. Notification of Operations

The Book Cliffs Resource Area Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5);
2. initiating pressure tests of the blow-out preventer and related equipment;
3. running casing and cementing of ALL casing strings.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217.

Immediate Report: spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed for prior approval of the Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the Vernal District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production notice.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

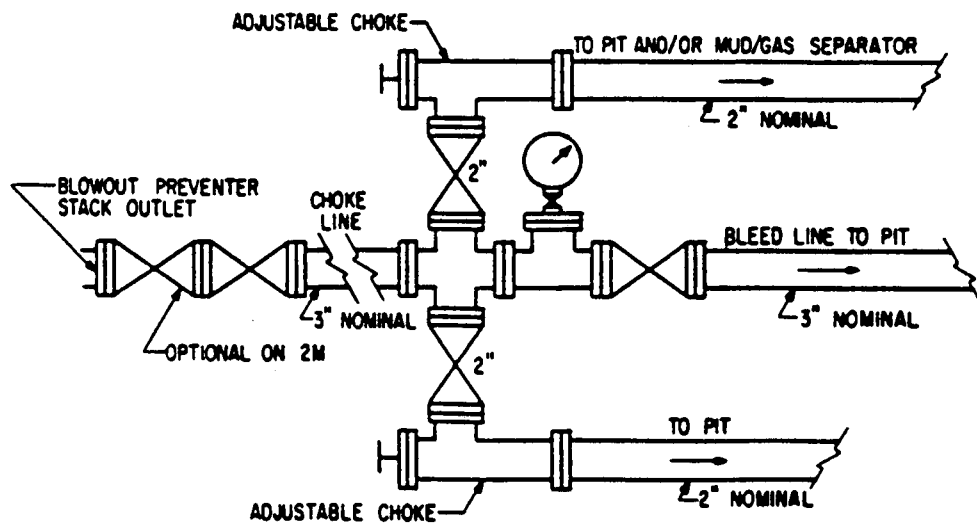
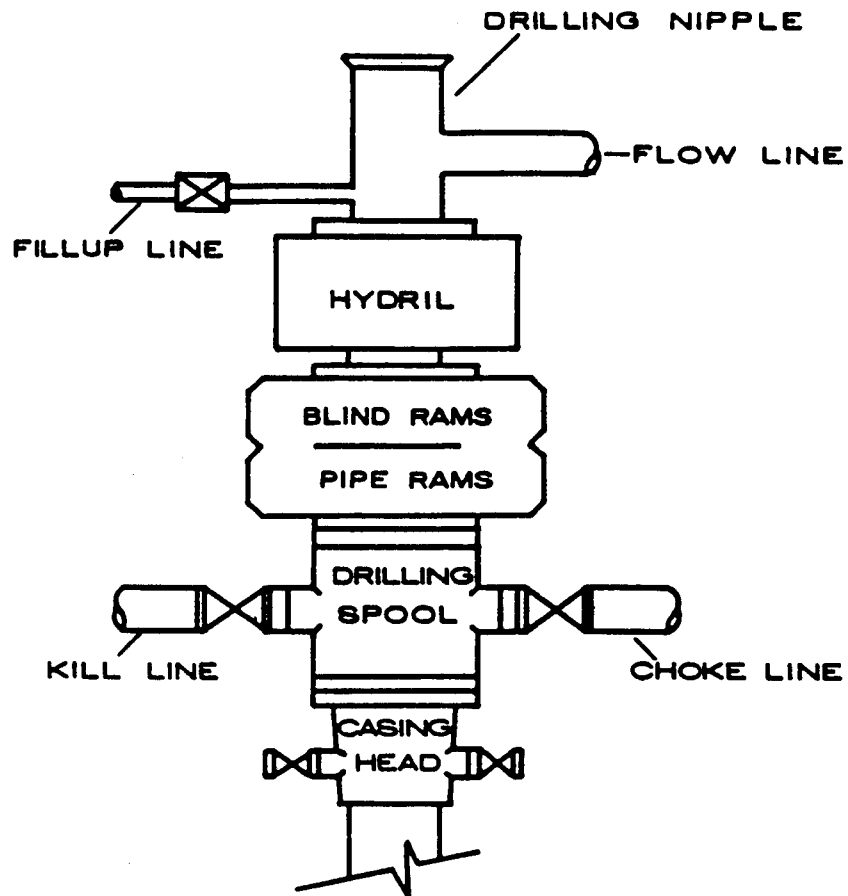
A "Notice of Intention to Abandon" (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.

Pursuant to Onshore Operating Order #1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

BOP STACK



CIG EXPLORATION, INC.
Lease #UTU-010954A, CIGE #118-35-9-22
SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35, T9S, R22E
Uintah County, Utah

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)
 - A. The proposed well site is staked and four 200-foot reference stakes are present.
 - B. To reach the location from the town of Vernal, Utah; proceed generally southwest approximately 14.0 miles on U.S. Highway 40 (a paved U.S. highway), thence generally south approximately 10.0 miles on Utah Highway 88 (a paved state highway) to the town of Ouray, thence generally south approximately 6.9 miles on the Seep Ridge Road (an existing, upgraded Uintah County road), thence generally east approximately 5.0 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence generally northeast approximately 7.3 miles on the Mountain Fuel Pipeline Road (an existing, upgraded oilfield road - crowned & ditched with a gravel surface), thence generally east approximately 5.8 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence generally south/southwest approximately 3.5 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence south approximately 1200 feet to the proposed CIGE #118-35-9-22 well location.
 - C. Access roads - refer to Maps "A" and "B".
 - D. Access roads within a one-mile radius - refer to Map "B".
 - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the CIGE #118-35-9-22 well location.

2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 1,200 feet of new road construction will be required for access to the proposed CIGE #118-35-9-22 well location.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched.
- B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Rooding Guidelines established for oil and gas exploration and development activities.

2. Planned Access Roads: Continued

- B. Construction standard - these general construction standards are referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.

The access road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade - 6%.
D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route.
F. Culverts, cuts and fills - no culverts will be required. Cuts and/or fills of approximately ten (10) feet are anticipated on/along the proposed access road route.
G. Surface materials - none anticipated at this time.

2. Planned Access Roads: Continued

- G. Surface materials - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Land Management.
- H. Gates, cattleguards or fence cuts - none required.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.
- J. The proposed access road is flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please Refer to Map "C"

- A. Water wells - none known.
- B. Abandoned wells - none known.
- C. Temporarily abandoned wells - none known.
- D. Disposal wells - none known.
- E. Drilling wells - none known.
- F. Producing wells - SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 35, T9S, R22E.
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, T9S, R22E.
SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35, T9S, R22E.
NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 36, T9S, R22E.
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 36, T9S, R22E.
NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36, T9S, R22E.
NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, T10S, R22E.
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, T10S, R22E.
NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 2, T10S, R22E.
NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T10S, R22E.
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 2, T10S, R22E.
- G. Shut-in wells - none known.
- H. Injection wells - none known.
- I. Monitoring wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by CIG Exploration, Inc. Within a One-Mile Radius:

A. Existing

1. Tank batteries - NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, T9S, R22E.
SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35, T9S, R22E.
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 36, T9S, R22E.
NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, T10S, R22E.
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, T10S, R22E.
NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 2, T10S, R22E.
NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T10S, R22E.
2. Production facilities - same as Item #4A1, above.
3. Oil gathering lines - none.
4. Gas gathering lines - same as Item #4A1, above.

B. New Facilities Contemplated

1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the back-slope or toe of the fill slope.
2. The production facilities (consisting primarily of a christmas tree at the well head, dehydration unit, and emergency pit) will require an area approximately 300' X 135'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via "Sundry Notice" (Form 3160-5) for approval of subsequent installation operations.
3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

4. Location of Existing and/or Proposed Facilities Owned by CIG Exploration, Inc. Within a One-Mile Radius:

B. New Facilities Contemplated - Continued

4. All permanent (on-site for six months or longer) above-the-ground structures constructed or installed including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Five (5) State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.

5. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute). The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.
- C. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9E (page #'s 8 & 9) for additional information on the fencing specifications.
- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management (Refer to Item #10A2 (page #10) for the appropriate seed mixture and rate of application).

5. Location and Type of Water Supply:

- A. Fresh water for drilling will be obtained from an existing water well and reservoir: Uintah #1, owned by Target Trucking, Inc. and located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 10 South, Range 21 East, Uintah County, Utah; permit #49-991 (A57530).
- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed CIGE #118-35-9-22 well location. No new construction will be required on/along the proposed water haul route. No off-lease/unit federal lands will be crossed on/along the proposed water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be obtained from a local contractor having a permitted (private) source of materials in the area. Refer to Item #2G (page #3) regarding any construction materials which may be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve/blooiie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/blooiie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

7. Methods of Handling Waste Materials: Continued

- B. Drilling fluids - in the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from CIG Exploration, Inc.

The reserve pit will be constructed so as not to leak, break, or allow discharge.

- C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location upon the termination of drilling and completion operations.

7. Methods of Handling Waste Materials: Continued

- F. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations (Refer to Item #4B (page #4) for additional information in this regard).
- D. The reserve pit will be lined with a plastic, nylon reinforced, liner (minimum 10 mil thickness) and sufficient bedding material (either straw or dirt) will be utilized to cover any rocks in the pit prior to the installation of the liner. The liner will overlap the pit walls and will be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit.
- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
 - 1. 30-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).

9. Wellsite Layout: Continued

- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 4. Standard steel, wood, or pipe posts shall be used between the corner braces. maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

- F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface:

A. Production

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
3. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.

10. Plans for Reclamation of the Surface:

A. Production - Continued

4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
7. Upon completion of backfilling, leveling and re-contouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded with the following seed mixture recommended by the Bureau of Land Management:

<u>Species</u>	<u>Lbs. PLS/Acre</u>
Hi-Crest Created Wheatgrass	5.0
Four-Wing Saltbush	6.0
Yellow Sweet Clover	1.0

Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost.

10. Plans for Reclamation of the Surface:

B. Dry Hole/Abandoned Location - Continued

1. At such time as the well is physically plugged and abandoned, CIG Exploration, Inc. will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate the appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

11. Surface Ownership:

The well site and proposed access road are situated on surface estate which is owned by the United States of America and administered by:

Area Manager
Book Cliffs Resource Area Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
Phone: (801) 789-1362

12. Other Information:

- A. General Description of the Project Area: The proposed drill site is located within the Natural Buttes Unit in an area of northeastern Utah and more specifically in an area of moderately to severely eroded uplands located between the White River to the east (and north), the Green River to the west, Bitter Creek to the southeast, and Willow Creek to the southwest.

This area is classified as a "High Plains Steppe" (Cold Desert) and is characterized by gently to moderately undulated uplands dissected by numerous dendritically-patterned, ephemeral drainages of both the Green and White Rivers. Generally, local flora consists of native grasses such as salt grass, galleta grass, needle-and-thread grass, Indian ricegrass; and woody species such as shadscale, horsebrush, black sagebrush, fringe sagebrush, big sagebrush, rabbitbrush, and greasewood along the dry drainages. Local fauna consists of mule deer, antelope, coyotes, rabbits, raptors, and various smaller vertebrate and invertebrate species.

12. Other Information:

A. General Description of the Project Area: Continued

There are no known threatened or endangered species that will be affected by implementation of operations on the proposed CIGE #118-35-9-22 well location.

B. Surface Use Activities: The primary surface use is for grazing.

C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:

1. The closest source of permanent water is the White River, located approximately 0.75 mile to the west.
2. The closest occupied dwellings are located in the town of Ouray, approximately 15.0 miles to north-west.
3. CIG Exploration, Inc. will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, CIG Exploration, Inc. will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform CIG Exploration, Inc. as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

12. Other Information:

C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites: Continued

3. If CIG Exploration, Inc. wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, CIG Exploration, Inc. will be responsible for mitigation costs.

The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, CIG Exploration, Inc. will then be allowed to resume construction.

D. Additional Stipulations for Operations on Lands Administered by the Bureau of Land Management:

1. CIG Exploration, Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
2. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, if BLM authorization is obtained, it is only a temporary measure to allow Coastal Oil & Gas Corporation the time to make arrangements for permanent storage at a commercial facility.

12. Other Information:

D. Additional Stipulations for Operations on Lands
Administered by the Bureau of Land Management: Cont.

3. CIG Exploration, Inc. shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362.

4. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.

13. Lessee's or Operator's Representative and Certification:

Representative

CIG Exploration, Inc.
Randy L. Bartley, Operations Manager
P.O. Box 749
Denver, Colorado 80201-0749
Phone: (303) 572-1121

Heitzman Drill-Site Services*
Dale Heitzman and/or Robert M. Anderson
P.O. Drawer 3579
Casper, Wyoming 82602
Phone: (307) 266-4840

* Contact for any additional information which may be required for approval of this Application for Permit to Drill.

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

CIG Exploration, Inc. will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

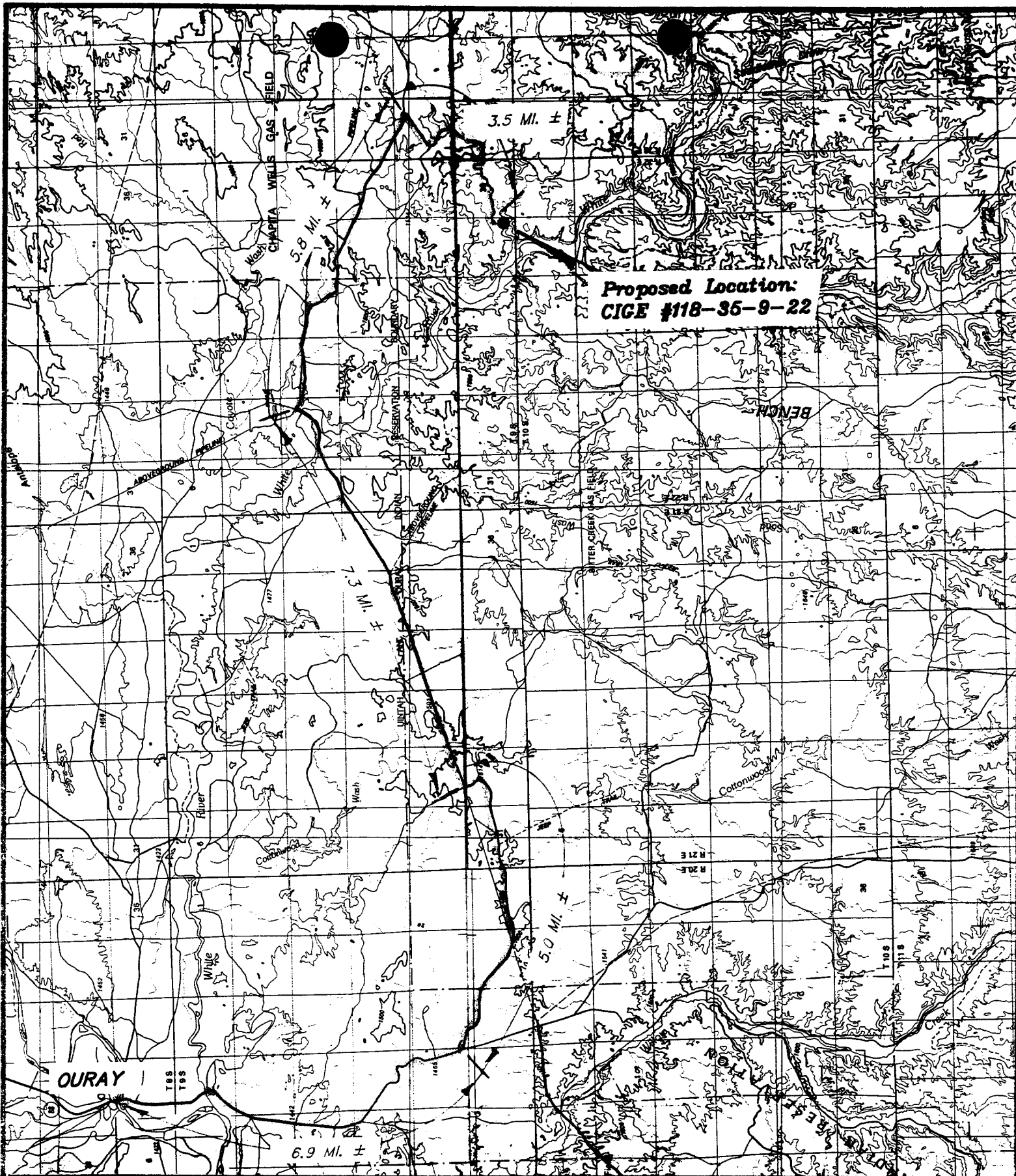
13. Lessee's or Operator's Representative and Certification:

Certification: Continued

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by CIG Exploration, Inc., its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

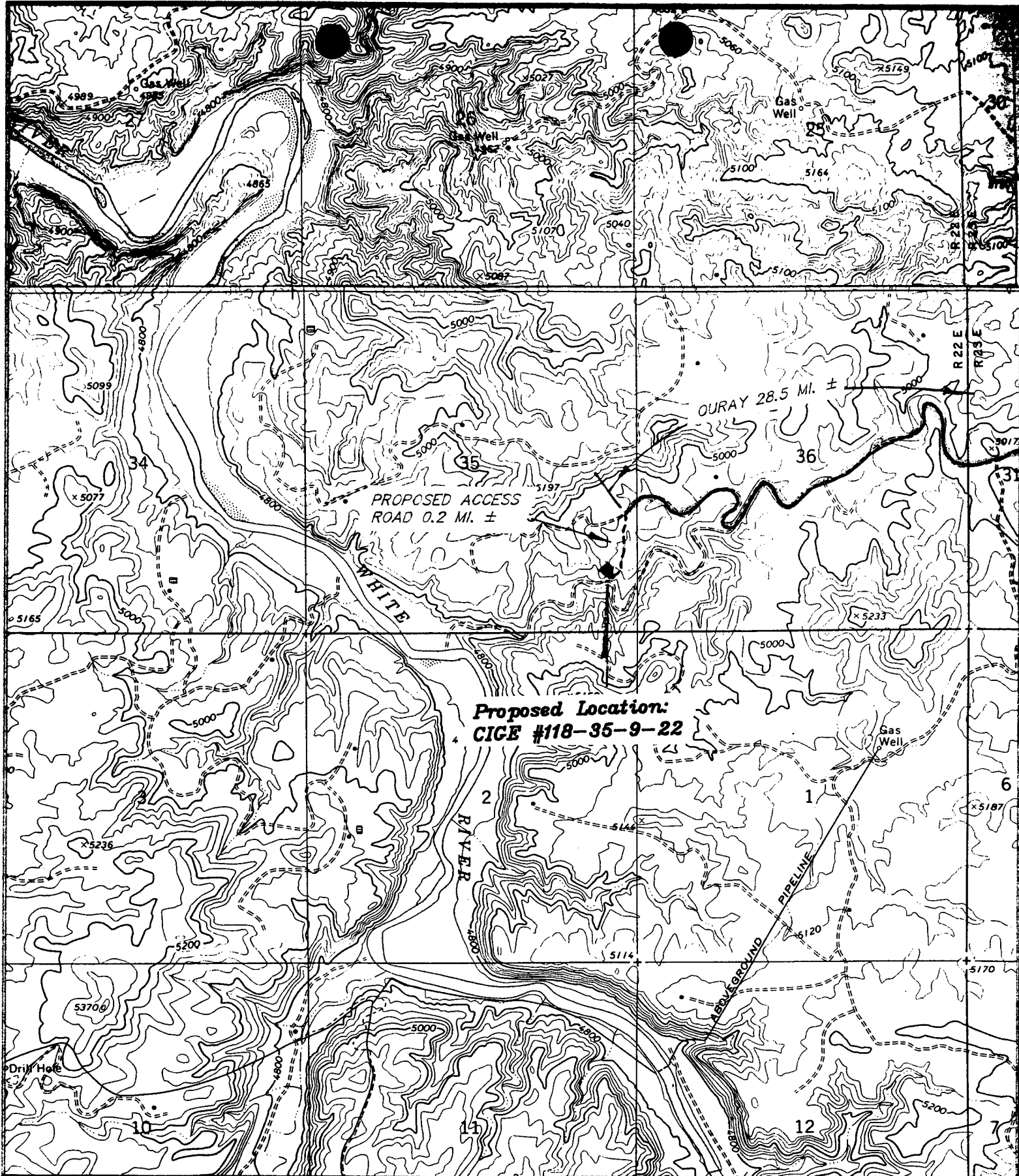
13 December 1990
Date


Robert M. Anderson/Authorized Agent



CIG EXPLORATION, INC.

CIGE #118-35-9-22
SECTION 35, T9S, R22E, S.L.B.&M.
REVISED: 12-6-90



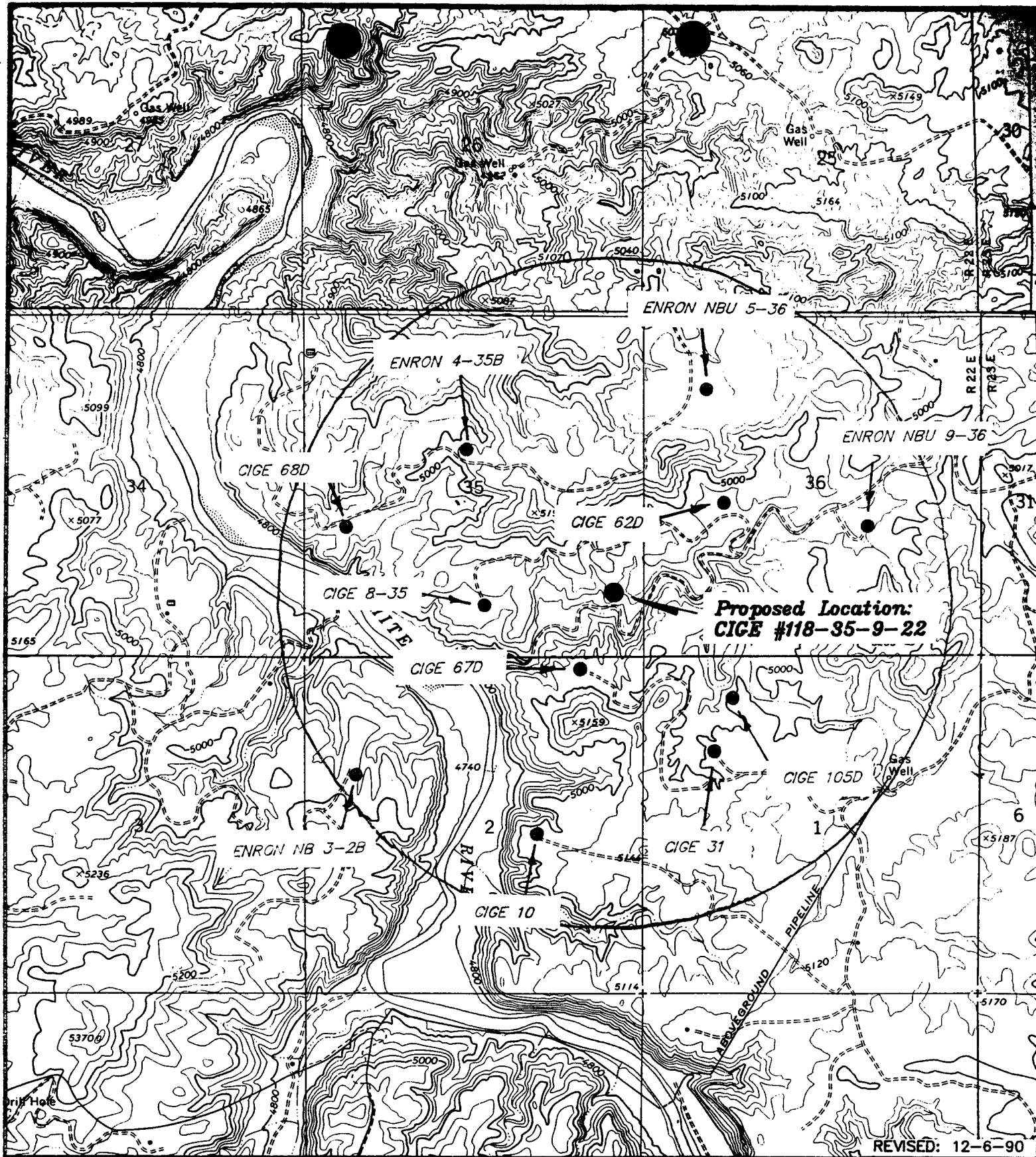
TOPOGRAPHIC
MAP "B"

SCALE: 1" = 2000'
DATE 2-30-90



CIG EXPLORATION, INC.

CIGE #118-35-9-22
SECTION 35, T9S, R22E, S.L.B.&M.
REVISED: 12-6-90



REVISED: 12-6-90

LEGEND:

- = Water Wells
- ◐ = Abandoned Wells
- ◑ = Temporarily Abandoned Wells
- ◒ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- ◐ = Shut-in Wells

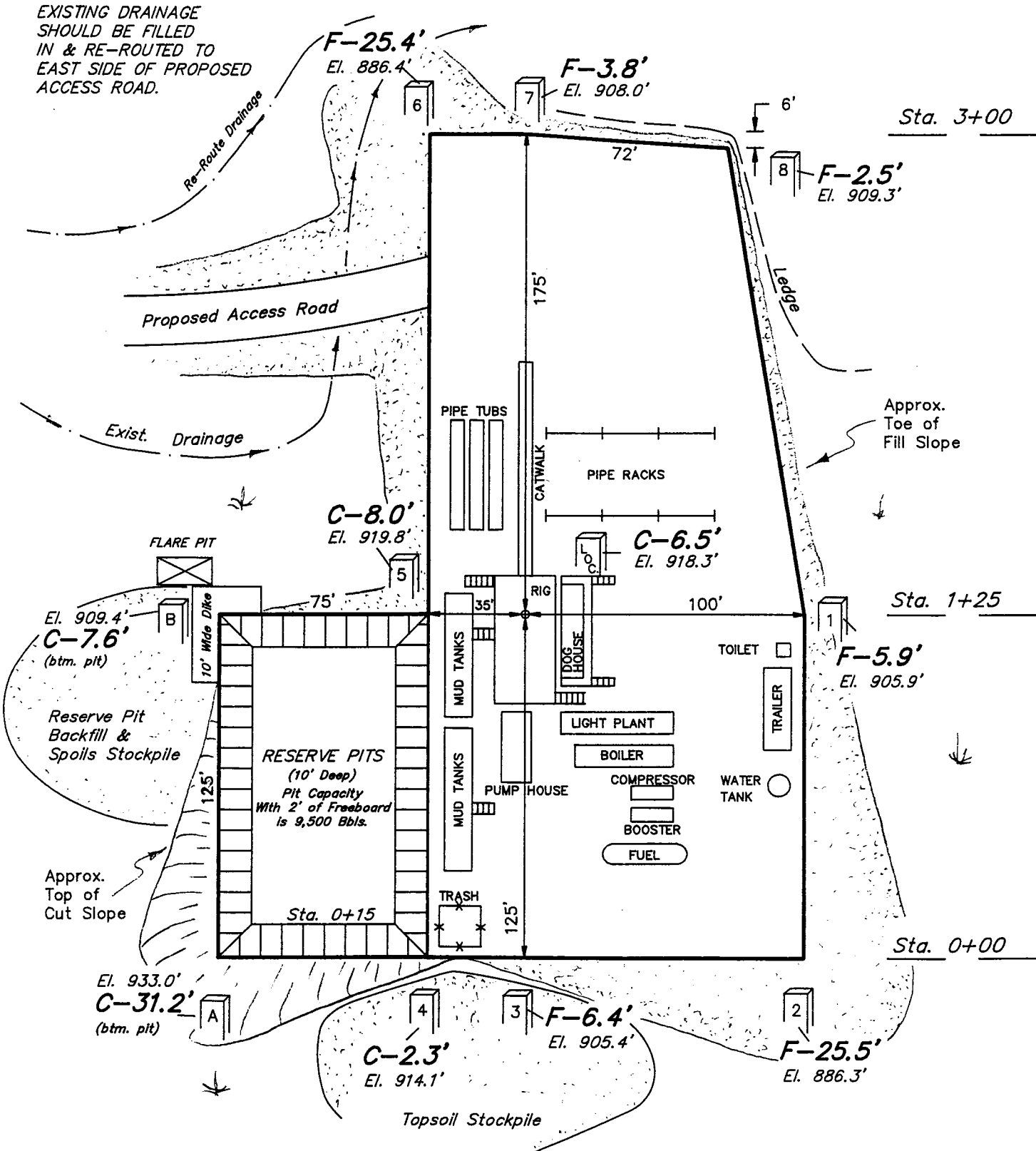


CIG EXPLORATION, INC.

CIGE #118-35-9-22
SECTION 35, T9S, R22E, S.L.B.&M.
TOPO MAP "C"

DATE: 9-30-90

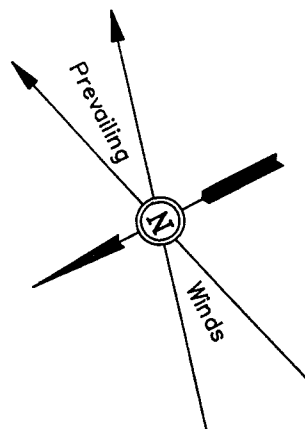
EXISTING DRAINAGE
SHOULD BE FILLED
IN & RE-ROUTED TO
EAST SIDE OF PROPOSED
ACCESS ROAD.



APPROXIMATE YARDAGES

CUT (6") Topsoil Stripping	= 1,000 Cu. Yds.
Remaining Location	= 9,780 Cu. Yds.
TOTAL CUT	= 10,780 CU.YDS.
FILL	= 8,090 CU.YDS.

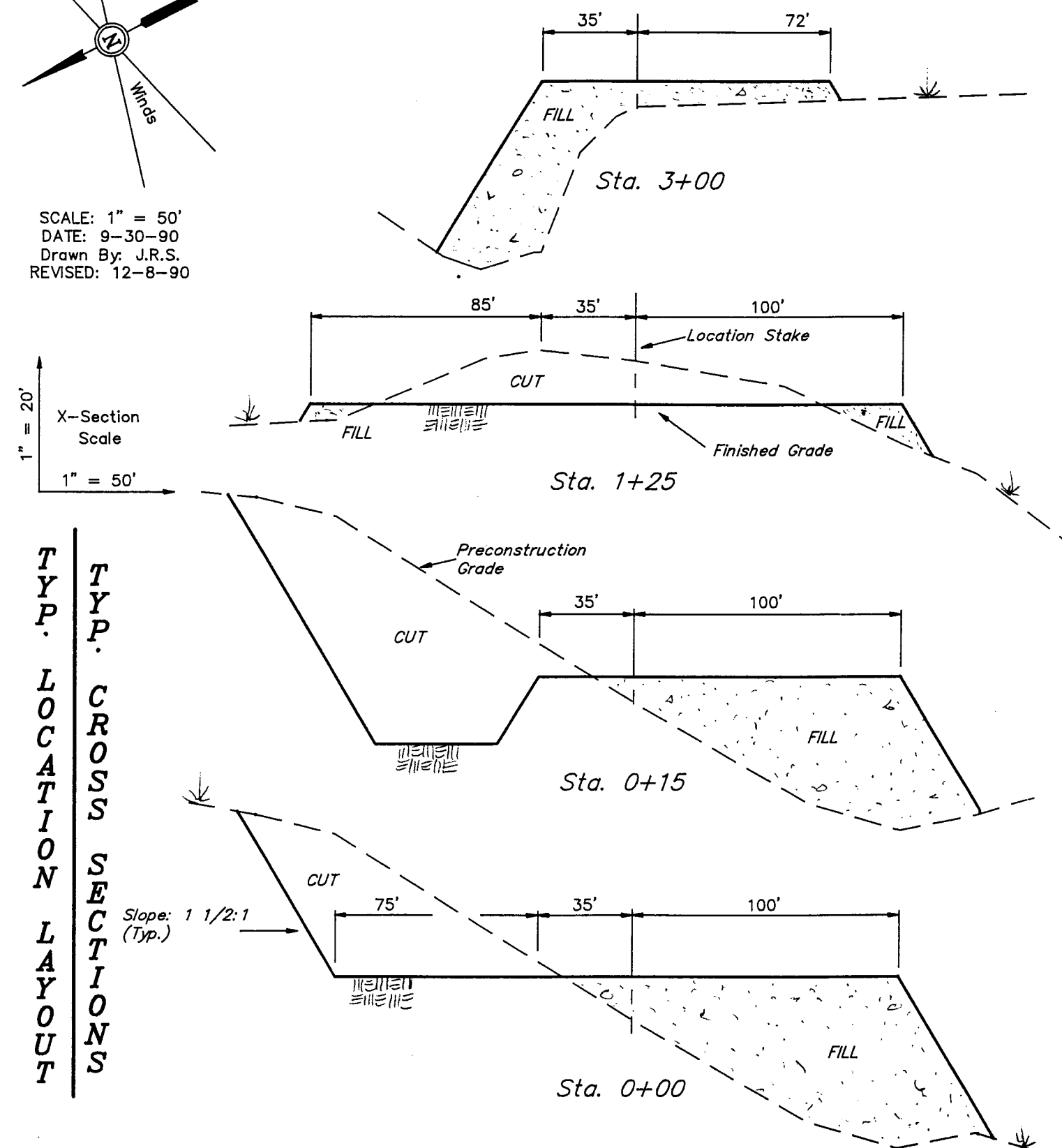
EXCESS MATERIAL AFTER 5% COMPACTION	= 2,260 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,220 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 40 Cu. Yds.



SCALE: 1" = 50'
DATE: 9-30-90
Drawn By: J.R.S.
REVISED: 12-8-90

CIG EXPLORATION, INC.

LOCATION LAYOUT FOR
CIGE #118-35-9-22
SECTION 35, T9S, R22E, S.L.B.&M.



Elev. Ungraded Ground At Loc. Stake = **4918.3'**

FINISHED GRADE ELEV. AT LOC. STAKE = **4911.8'**

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah

Coastal Oil Gas

OPERATOR CIG Exploration, Inc DATE 10-06-90

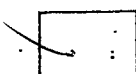
WELL NAME CIG-E 118-35-4-00

SEC SESE 35 T 4S R 00E COUNTY Wirtan

43-047-31900
API NUMBER

Natural (1)
TYPE OF LEASE

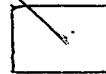
CHECK OFF:



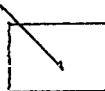
PLAT.



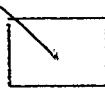
BOND



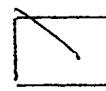
NEAREST
WELL



LEASE



FIELD
SLBM



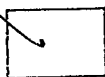
POTASH OR
OIL SHALE

PROCESSING COMMENTS:

1991 P.O.D. approved 10-00-90 per Lisa Thompson
Water Permit 49-991 (A57530)
Oil shale area

APPROVAL LETTER:

SPACING:



R615-2-3

Natural Buttes
UNIT



R615-3-2



N/A
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

Oil shale



State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

December 27, 1990

CIG Exploration, Inc.
P. O. Box 749
Denver, Colorado 80201-0749

Gentlemen:

Re: CIGE 118-35-9-22 - SE SE Sec. 35, T. 9S, R. 22E - Uintah County, Utah
933' FSL, 506' FEL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, subject to the following stipulation:

1. Special attention is directed to compliance with Rule R615-3-31, which prescribes drilling procedures for designated oil shale areas.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
CIG Exploration, Inc.
CIGE 118-35-9-22
December 27, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31926.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-8

HEITZMAN DRILL-SITE SERVICES

DALE HEITZMAN

ROBERT M. ANDERSON

April 15, 1991

Area Manager
Book Cliffs Resource Area Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

RECEIVED
APR 17 1991

DIVISION OF
OIL, GAS & MINING

RE: Coastal Oil & Gas Corporation
CIGE #118-35-9-22
SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 35
T9S, R22E, S.L.B. & M.
Uintah County, Utah
Lease #UTU-010954A

Dear Sir;

On December 27, your office forwarded a letter to Coastal Oil & Gas Corporation which identified significant environmental concerns with the above-referenced well location. As a result of these concerns, your office recommended moving the well location if at all possible to minimize the impacts associated with the well location as proposed. As a result, Coastal Oil & Gas Corporation re-staked the CIGE #118-35-9-22 well location in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35 and submitted a Notice of Staking for the new location to your office on March 11, 1991.

Consequently, we would appreciate your cancelling the Application for Permit to Drill on the original location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35 and accepting the attached Application for Permit to Drill the CIGE #118-35-9-22 in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35 as the replacement therefor.

Should you have any questions in this regard, please do not hesitate to give this office a call.

Your cooperation in this matter will be most appreciated.

Sincerely,



Robert M. Anderson

RMA/ibm
Attachment



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

April 26, 1991

Coastal Oil and Gas Corporation
P.O. Box 749
Denver, Colorado 80201-0749

Re: Well No. CIGE #118-35-9-22, Sec. 35, T. 9S, R. 22E, Uintah County, Utah
API No. 43-047-31926

In response to Bureau of Land Management concerns and your request for cancellation of the Application for Permit to Drill, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde

cc: Bureau of Land Management - Vernal

R.J. Firth

Well file

WOI230

3162.31
UT08438

May 3, 1991

Coastal Oil & Gas Corp.
Attn: Randy Bartley
P.O. Box 749
Denver, CO 80201-0749

43-047-31920

DA well

Re: Application for Permit to Drill
Well No. CIGE 118-35-9-22
Section 35, T9S, R22E
Lease No. U-010954A

Dear Mr. Bartley:

We are returning the original referenced Application for Permit to Drill as requested by Heitzman Drill-Site Services.

The replacement Application for Permit to Drill in the NESE of section 35 was received on April 16, 1991. Your application was administratively complete for processing.

As part of the approval process, your application will be reviewed for technical adequacy and proposed surface mitigation. During this portion of the approval process, you may be required to furnish additional information.

The Book Cliffs Resource Area will not be able to process your application within established timeframes. The well is within the White River Corridor portion of the Natural Buttes Environmental Impact Assessment which is being prepared under contract for Coastal.

Once your application is determined to be administratively and technically complete, a final decision will be issued from this office. If you have any questions, please call Margie Herrmann of this office at (801) 789-1362.

Sincerely,

Howard B. Cleavinger II
Assistant District Manager
for Minerals

Enclosure

cc: Heitzman Drill-Site Services

MHerrmann:lds:0471H:5.2.91

RECEIVED

MAY 06 1991

DIVISION OF
OIL GAS & MINING

Div OG&M

AS -
is this a
notification of
rescind?
DTS